

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



JUL - 7 2005

The Honorable Mark Sanford
Governor of South Carolina
P.O. Box 12267
Columbia, South Carolina 29211

Dear Governor Sanford:

It is with pleasure that I respond to the State of South Carolina's request for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act. In the Strategic State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act for the two-year period, July 1, 2005, through June 30, 2007, the state submitted eight requests for waivers. The following is the disposition of the state's waiver submission (copy enclosed).

Requested Waiver 1: Waiver to increase transfer authority of Local Workforce Investment Boards from the current 20 percent to 50 percent for Adult and Dislocated Worker funds.

This waiver request for funds transferability is consistent with one of the improvements that the Administration is seeking in the reauthorization of the Workforce Investment Act—the consolidation of the WIA Adult, WIA Dislocated Worker and Wagner-Peyser Act (Employment Service) funding streams. This request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the State of South Carolina is granted a waiver of the funds transfer limitation at WIA Section 133(b)(4), through June 30, 2007. The waiver allows the state to approve local area requests to transfer up to 50 percent of local area allocations between the WIA Adult and Dislocated Worker programs.

Requested Waiver 2: Extension of the waiver of the time limit on the period of initial eligibility at 20 CFR 663.530.

The state indicates that an extension of this waiver is needed to address the continuing difficulties in collection of "all student" information from training providers. Without an extension, the state indicates that many training providers are likely to opt out of the Eligible Training Provider system, thus limiting customer choice. This request is

written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the State of South Carolina is granted an extension of the waiver through June 30, 2007.

Requested Waiver 3: Waiver to reduce the requirement for fifty percent employer match for customized training at WIA Section 101(8)(C) to 25 percent for small businesses.

The state indicates that a waiver permitting a 25 percent match for small businesses will improve services to customers seeking training, and will improve the capacity of local boards to market demand-driven services and build beneficial relations with the private sector. This request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the state is granted the waiver as requested.

Requested Waiver 4: Waiver to serve youth who receive reduced or free lunch under the National School Lunch Act.

Provisions related to eligibility of providers and participants are excluded from the WIA waiver authority, and cannot be waived. The statute provides some flexibility to states in this area through a limited exception to the low-income criterion at WIA Section 129(c)(5). Additionally, the regulations (20 CFR 661.120) give states and local governments authority to establish their own policies and guidelines relating to verifying and documenting eligibility, as long as they are consistent with the statute, the regulations and other federal statutes.

Waiver Request 5: Waiver to use rapid response funds for incumbent worker training.

The state indicates that a waiver would provide the flexibility in the use of funds that is needed to ensure employer participation and reduce administrative burden. The waiver is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c) and appears to meet the standard for approval at 20 CFR 661.420(e). We are granting a waiver of the language limiting the authority to provide the activities at WIA Section 134(a)(1)(B) to statewide reserve funds. This waiver permits the state to use up to 50 percent of the funds reserved for rapid response activities at WIA Section 133(a)(2) to provide the statewide activities authorized at WIA Section 134(a)(3), in the manner specified in the waiver plan, through June 30, 2007.

Requested Waiver 6: Waiver of the requirement that Dislocated Workers be enrolled in training by the end of the 13th week after layoff to receive needs-related payments.

Provisions related to eligibility of providers and participants are excluded from the WIA waiver authority, and cannot be waived.

Requested Waiver 7: Waiver to increase the youth five percent eligibility window to ten percent for local areas that are currently using their five percent window to serve youth who are not low income.

Provisions related to eligibility of providers and participants are excluded from the WIA waiver authority, and cannot be waived. The statute provides some flexibility to states in this area through a limited exception to the low-income criterion at WIA Section 129(c)(5). Additionally, the regulations (20 CFR 661.120) give states and local governments authority to establish their own policies and guidelines relating to verifying and documenting eligibility.

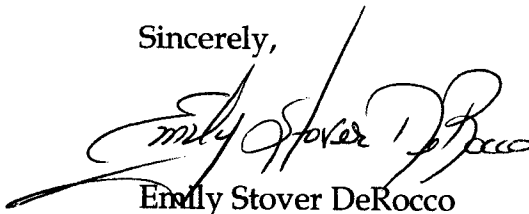
Requested Waiver 8: Waiver to increase the employer reimbursement for on-the-job training to 75 percent reimbursement for small businesses.

The State of South Carolina has also requested a waiver to increase the employer reimbursement for on-the-job training to 75 percent for small businesses, defined in the request as those with 100 or fewer employees. WIA Section 101(31)(B) currently provides for reimbursement to the employer of up to 50 percent. The waiver is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). We are approving this waiver.

As provided for under paragraph 3 of the executed Agreement, the approved waivers are incorporated by reference into the state's WIA Grant Agreement. A copy of this letter should be filed with the state's WIA Grant Agreement and the state's Strategic Plan, as appropriate.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local-level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Stover DeRocco", is written over a horizontal line.

Emily Stover DeRocco

Enclosure